

WAYS AND MEANS PASSES HISTORIC HEALTH REFORM LEGISLATION

Friday, 17 July 2009

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NEWS — CONGRESSMAN PETE STARK

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Bill would lower costs, provide more choices, and ensure access to quality, affordable care

WASHINGTON, D.C. — The House Committee on Ways and Means today passed H.R. 3200, the America's Affordable Health Choices Act of 2009, by a vote of 23-18. According to the non-partisan Congressional Budget Office (CBO), reform provisions in the bill will cover 97 percent of Americans. These provisions will be merged with provisions currently under consideration in the Committees on Energy and Commerce and Education and Labor for consideration by the full House of Representatives in the coming weeks.

"Today's vote is another historic step toward enacting health care reform this year," said Health Subcommittee Chairman Pete Stark. "I look forward reconciling our changes with the other committees, and voting on the floor of the House to provide affordable, quality health care to all Americans." Please click here to view Chairman Stark's opening statement: http://www.youtube.com/watch?v=zl5_3mEir0Q

"This is an exciting day in the history of this Committee and the Congress as we tackle the challenges of reforming America's health care system," said Ways and Means Committee Chairman Charles B. Rangel (D-NY). "America is ready for reform, the rising cost of health care has been draining the economy and the pocketbooks of American families for too long. Today the Committee approved legislation that will encourage competition in the health insurance marketplace, control costs and improve access to quality affordable care. This uniquely American solution will put patients first, make critical investments in primary care and nurses, and reform the health care delivery system so that we can build a healthier, more productive economy."

The bill, endorsed by the American Medical Association (see <http://www.ama-assn.org/ama/pub/news/news/ama-supports-hr-3200.shtml>), and supported by the AARP along with other organizations, includes important reforms such as the creation of health insurance exchange, a public health insurance option to compete with private insurers, and new rules to prohibit abusive practices by private insurers. The bill strengthens Medicare and Medicaid and includes subsidies to make insurance more affordable for individuals and small businesses. The bill also makes key reforms to the health care delivery system to help "bend the curve" and control long-term health care costs.

CBO has issued a preliminary estimate of the new reform provisions at a net cost of \$1 trillion over ten years. These reforms will be fully paid for through payment and delivery system reform in Medicare and Medicaid that will result in substantial cost savings, as well as a surcharge that will affect only the wealthiest one percent of households, and only four percent of small businesses.

The key principles of legislation include, among other things:

Increasing choice and competition. First, the bill will protect and improve consumers' choices.

- If an individual likes their current plan, they will be able to keep it.
- For individuals who either aren't currently covered, or wanted to enroll in a new health care plan, the proposal will establish a health care exchange where consumers can select from a menu of affordable, quality health care options: either a new public health insurance option or a plan offered by private insurers.
- This new marketplace will reduce costs, create competition that leads to better care for every American, and keep private insurers honest. Patients and doctors will have control over decisions about their health care, instead of insurance companies.

Giving Americans peace of mind. Second, the legislation will ensure that Americans have portable, secure health care plans — so that they won't lose care if their employer drops their plan or they lose their job.

- Every American who receives coverage through the exchange will have a plan that includes standardized, comprehensive and quality health care benefits.
- It will end increases in premiums or denials of care based on pre-existing conditions, race, or gender, and limited age rating (2:1).
- The proposal will also eliminate co-pays for preventive care, cap out-of-pocket expenses, and guarantee catastrophic coverage that protects every American from bankruptcy.

Improving quality of care for every American. Third, the legislation will ensure that Americans of all ages, from young children to retirees have access to greater quality of care by focusing on prevention, wellness, and strengthening programs that work.

- The proposal guarantees that every child in America will have health care coverage that includes dental and vision benefits.
- It will provide better preventative and wellness care. Every health care plan offered through the exchange will cover

preventative care.

- By growing the health care workforce, the proposal will ensure that more doctors and nurses are available to provide quality care as more Americans get coverage.
- The proposal strengthens Medicare and Medicaid so that seniors, people with disabilities and low-income Americans receive better quality of care and see lower prescription drug costs and out-of-pocket expenses.

Ensuring shared responsibility. Fourth, the bill will ensure that individuals, employers, and the federal government all share responsibility for a quality and affordable health care system.

- Employers who currently offer coverage will be able to continue offering coverage to workers. Employers who don't currently offer coverage could choose to cover their workers or pay a penalty.
- All individuals would be required to get coverage, either through their employer or the exchange, or pay a penalty.
- The federal government will provide affordability credits, available on a sliding scale for low- and middle-income individuals and families to make premiums affordable and reduce cost-sharing.

Protecting consumers and reducing waste, fraud, and abuse. Fifth, the legislation will put the interests of consumers first, protect them from any problems in getting and keeping health care coverage, and reduce waste, fraud, and abuse.

- The proposal provides complete transparency in plans in the health exchange so that consumers have the clear, complete information needed to select the plan that best meets their needs.
- Additionally, it establishes Consumer Advocacy Offices as part of the exchange in order to protect consumers, answer questions, and assist with any problems related to their plans.
- The proposal will identify and eliminate waste, fraud, and abuse by simplifying paperwork and other administrative burdens. Patients, doctors, nurses, insurance companies, providers, and employers will all encounter a streamlined, less confusing, more consumer friendly system.

For more information on the bill, including bill text, summary, information on revenue provisions, and fact sheets on the reform provisions in the bill, click here:
http://www.stark.house.gov/index.php?option=com_content&task=view&id=1307&Itemid=62

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